

PATENT
Customer No. 22,852
Attorney Docket No. 7019.0004-00

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re Application of:)
)
Amy MULDERRY et al.) Group Art Unit: 3627
)
Application No.: 09/473,649) Examiner: O'Connor, Gerald J.
)
Filed: December 28, 1999)
)
For: METHOD AND APPARATUS FOR) Confirmation No.: 1261
MARKETING PRODUCTS OVER)
THE INTERNET)

Attention: Mail Stop Appeal Brief Patents
Commissioner for Patents
Washington, DC 20231

Sir:

APPEAL BRIEF UNDER 37 C.F.R. § 41.37

In support of the Notice of Appeal filed January 21, 2005, and pursuant to 37 C.F.R. § 41.37, Appellants present this Appeal Brief together with the required fee of \$500.00. This appeal is in response to the final rejection mailed July 28, 2004, of claims 1, 2, 4, 5, and 7-9, which are set forth in the attached Appendix. This Brief is timely filed because the January 21, 2005 Notice of Appeal accompanied by a Petition for a three-month extension of time and payment of appropriate fees was filed within six months of the July 28, 2004 final rejection. This Appeal Brief is being filed within three months of the filing date of the January 21, 2005 Notice of Appeal and is accompanied by a Petition for a one-month extension of time and payment of appropriate fees, thus extending the period for filing of an Appeal Brief to April 21, 2005.

If any additional fees are required or if the enclosed payment is insufficient, Appellants request that the required fees be charged to Deposit Account No. 06-0916.

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I. Real Party in Interest

Time Consumer Marketing, Inc. is the Real Party in Interest of this application as evidenced by an Assignment recorded in the U.S. Patent & Trademark Office on May 1, 2000, at reel 010744, frame 0397.

II. Related Appeals and Interferences

Appellants, the Assignee, and Appellants' undersigned legal representative know of no other appeals or interferences that will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

III. Status of Claims

Claims 1, 2, 4, 5, and 7-9 are pending in this application and have been finally rejected under 35 U.S.C. § 103(a). No claims have been allowed.

IV. Status of Amendments

All claim amendments have been entered as of the filing of this Appeal Brief. No amendments were filed after the final rejection.

V. Summary of Claimed Subject Matter

A. Independent Claim 1

Independent claim 1 sets forth a method of completing a plurality of transactions on a computer network involving at least one customer computer directly operated by a customer (*see* Fig. 1, element 10) and a plurality of merchant computers (*see, e.g.*, Appellants' Specification, p. 8, ll. 14-15 and Fig. 1, elements 12 and 14), comprising: transmitting an offer from a first merchant computer to a customer computer; transmitting information inputted by the customer from the customer computer to the first merchant computer in response to the offer; utilizing the information inputted by the customer to process the offer, wherein said information inputted by the customer contains a payment method and customer identification data required by said first merchant computer to process said offer (*see, e.g.*, Appellants' Specification, p. 13, ll. 7-20); transmitting a second offer from a second merchant computer to said customer computer (*see, e.g.*, Appellants' Specification, p. 14, ll. 5-10); transmitting said information inputted by the customer from said first merchant computer to said second merchant computer, provided said customer computer accepts said second offer (*see, e.g.*, Appellants' Specification, p. 5, ll. 9-11 and p. 4, ll. 11-20); processing said information inputted by the customer by said second merchant computer; causing a merchandise to be delivered to the customer associated with said information inputted by the customer; and automatically debiting a customer account for a purchase corresponding to said information inputted by the customer after said merchandise has

been delivered, provided said customer does not cancel future delivery of said merchandise. (*See also* Appellants' Specification, p. 19, ll. 10-13.)

B. Independent Claim 7

Independent claim 7 sets forth a method of completing a plurality of transactions on a computer network involving at least one customer computer directly operated by a customer (*see* Fig. 1, element 10) and a plurality of merchant computers (*see, e.g.,* Appellants' Specification, p. 8, ll. 14-15 and Fig. 1, elements 12 and 14), comprising: transmitting an offer from a first merchant computer to a customer computer; transmitting information inputted by the customer from the customer computer to the first merchant computer in response to the offer; utilizing the information inputted by the customer to process the offer, wherein said information inputted by the customer contains a payment method and customer identification data required by said first merchant computer to process said offer (*see, e.g.,* Appellants' Specification, p. 13, ll. 7-20); transmitting a second offer from at least a second merchant computer to said customer computer (*see, e.g.,* Appellants' Specification, p. 5, ll. 9-10); transmitting said information inputted by the customer from said first merchant computer to said at least second merchant computer, provided said customer computer accepts said second offer (*see, e.g.,* Appellants' Specification, p. 5, ll. 9-11 and p. 14, ll. 11-20); processing said information inputted by the customer by at least said second merchant computer; causing a merchandise to be delivered to the customer associated with said information inputted by the customer; and automatically debiting a customer account for a purchase corresponding to said information inputted by the customer after said merchandise

has been delivered, provided said customer does not cancel future delivery of said merchandise.

(*See also* Appellants' Specification, p. 19, ll. 10-13.)

VI. Grounds of Rejection to Be Reviewed on Appeal

In the Final Office Action dated July 28, 2004, the Examiner rejected claims 1, 2, 4, 5, and 7-9 as unpatentable under 35 U.S.C. § 103(a) over U.S. Patent No. 5,926,796 to *Walker et al.* (*Walker*) in view of U.S. Patent No. 5,543,607 to *Watanabe et al.* (*Watanabe*).

VII. Argument

A. Issues

(a) Whether the rejection of claims 1, 2, 4, 5, and 7-9 under 35 U.S.C. § 103(a) as unpatentable over *Walker* in view of *Watanabe* can be sustained when the references fail to disclose or suggest a method including automatically debiting a customer account for a purchase corresponding to information inputted by a customer after merchandise has been delivered.

(b) Whether the rejection of claims 1, 2, 4, 5, and 7-9 under 35 U.S.C. § 103(a) as unpatentable over *Walker* in view *Watanabe* can be sustained when the prior art provides no motivation to combine the references or a reasonable expectation of success from doing so.

B. Arguments

Claims 1, 2, 4, 5, and 7-9 are not unpatentable under 35 U.S.C. § 103(a) over *Walker* in view of *Watanabe*. First, *Walker* and *Watanabe* fail to teach or suggest all the limitations required by claims 1, 2, 4, 5, and 7-9. Further, the Examiner has not shown any suggestion or motivation, either in *Walker* or *Watanabe*, or in the knowledge generally available to one of ordinary skill in the art, to combine the references in a manner resulting in the claimed invention. Finally, the Examiner has not shown any reasonable expectation of success from combining *Walker* and *Watanabe* in a manner resulting in the claimed invention. Appellants therefore respectfully request that the Board reverse the rejections of claims 1, 2, 4, 5, and 7-9.

To establish a *prima facie* case of obviousness under 35 U.S.C. § 103(a), each of three requirements must be met. First, the references, taken alone or combined, must teach or suggest

each and every element recited in the claims. M.P.E.P. § 2143.03 (8th ed. 2001, revised May 2004). Second, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to combine the references in a manner resulting in the claimed invention. *Id.* at § 2143.01. Third, a reasonable expectation of success must exist that the proposed modification will work for the intended purpose. *Id.* at § 2143.02. Moreover, each of these requirements must “be found in the prior art, and not be based on Appellants’ disclosure.” *Id.* at § 2143.

Walker and/or *Watanabe* do not teach or suggest all of the limitations of claims 1 and 7. For example, neither reference teaches or suggests the claimed method including the step of “automatically debiting a customer account for a purchase corresponding to said information inputted by the customer after said merchandise has been delivered, provided said customer does not cancel future delivery of said merchandise,” as independent claims 1 and 7 recite. Claims 2, 4, and 5 depend from claim 1, and claims 8 and 9 depend from claim 7 and are not obvious over the combination of *Walker* and *Watanabe* at least due to their dependence from claims 1 and 7, respectively.

1. Overview of *Walker et al.*, U.S. Patent No. 5,926,796

Walker provides a system for selling subscriptions to periodicals in a retail environment. *Walker*, Abstract. When a customer selects a single issue of a periodical for purchase, a cashier at a point of sale (POS) terminal offers the customer a subscription to that periodical. *Walker*, col. 10, ll. 6-10. If the customer declines, the cashier proceeds with a conventional single-issue sale. *Walker*, col. 11, ll. 24-26. If the customer agrees to purchase the periodical subscription,

the cashier first asks the customer to fill out a subscription card indicating customer data and subscription term and price. Then, the cashier transfers subscription and customer-related information from the subscription card into the POS terminal and collects the amount due for the subscription from the customer. *Walker*, col. 11, ll. 28-48.

According to *Walker*, a cashier at a POS terminal collects and stores subscription information from customers over a period of time, such as a day or a week. At the end of this period, the cashier transmits the subscription information to a retail subscription system. *Walker*, col. 11, ll. 55-59. Sometime after that, it is transmitted to a fulfillment house for distribution.

° *Walker*, col. 12, ll. 12-20.

2. Overview of *Watanabe et al.*, U.S. Patent No. 5,543,607

Watanabe provides a self check-out system capable of reading commercial product codes. *Watanabe*, Abstract. *Watanabe* provides for the registration of commercial products with difficult-to-read codes. *Watanabe*, col. 3, ll. 42-49. In the system of *Watanabe*, consumers place commercial products they wish to purchase on a conveyor belt. If, prior to loading of the product, the automatic reading of the commercial code does not succeed, the consumer inputs the commercial product code manually, without assistance of a store clerk seems stronger than “manual” vs. “automatic.” *Watanabe*, col. 3, ll. 52-57.

3. The Rejection of Claims 1, 2, 3, 5, and 7-9 Under 35 U.S.C. § 103 Must Be Reversed Because *Walker* and *Watanabe* Do Not Teach or Suggest “Automatically Debiting a Customer Account”

Claims 1 and 7 each require, among other things, automatic debiting of a customer account for a purchase. In contrast, *Walker* discloses manual debiting. The Examiner alleges

that automatically debiting a customer account is inherently taught by *Walker*. According to the Examiner, the claimed automatic debiting is “inherent,” allegedly because *Walker* teaches at col. 12, ll. 6-53 debiting the account of issues-owed by one issue after each additional issue is delivered (Office Action of July 28, 2004, p. 4, ll. 1-2). Appellants respectfully disagree.

To establish inherency, the extrinsic evidence must make clear that the missing descriptive matter is necessarily present in the thing described in the reference. Inherency, however, may not be established by probabilities or possibilities. M.P.E.P. § 2112 (8th ed. 2001, revised May 2004). The fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic. *Id.*

Walker discloses, at most, manual collection of funds, not automatic debiting. *Walker*, col. 12, ll. 6-54. Furthermore, *Walker* lacks any extrinsic evidence making clear that the automatic debiting is necessarily present, as the M.P.E.P. requires. Although the Examiner correctly points out that features “that are necessarily . . . present” are inherent, automatic debiting is not necessary for, and is in fact preclusive of, the manual collection of funds disclosed in *Walker*. Notwithstanding the Examiner’s assertions, Appellants respectfully submit that the term “automatic” does not mean “manual.”

Walker discloses accepting subscriber information and entering it into a subscriber database. *Walker*, col. 12, ll. 6-14. *Walker* further discloses a fulfillment process that determines whether a single issue has been delivered and, if not, instructs a subscription database to deliver a normal number of issues, less one issue. *Walker*, col. 12, ll. 15-32. Payment in *Walker* is collected by a cashier at a POS terminal; that is, *Walker* discloses only *manual* collection of

funds from customers. Thus, “automatically debiting a customer account,” as recited directly or indirectly in claims 1, 2, 4, 5, and 7-9, cannot be inherently taught nor suggested by *Walker*.

The Examiner also cited *Watanabe* in support of the rejection under 35 U.S.C. § 103. However, *Watanabe* is not relied on to teach, and in fact does not teach or support “automatic debiting of a customer account for a purchase” missing from *Walker*. Accordingly, neither reference teaches or suggests “automatically debiting of a customer account,” as required by claims 1, 2, 4, 5, and 7-9.

4. The Rejection of Claims 1, 2, 3, 5, and 7-9 Under 35 U.S.C. § 103 Must Be Reversed Because *Walker* and *Watanabe* Do Not Teach or Suggest Automatically Debiting a Customer Account for a Purchase “After Merchandise Has Been Delivered”

Walker and *Watanabe*, taken alone or in combination, also fail to teach or suggest the claimed automatic debiting of a customer account “after said merchandise has been delivered.” *Walker*, for example, teaches that prior to delivery, a cashier “collects the amount due for the subscription from customer 110.” *Walker*, col. 11, ll. 46-48. Payment prior to delivery is the only practical interpretation of *Walker* because the process takes place in a retail environment (*Walker*, col. 4, ll. 8-10), where customers do not receive merchandise without first paying for it. Thereafter, a fulfillment house instructs the subscription database to deliver the normal number of subscription issues less one issue. *Walker*, col. 12, ll. 26-28. Thus, *Walker* does not teach or suggest Appellants’ claimed method of “automatically debiting a customer account . . . after said merchandise has been delivered,” as claims 1 and 7 recite.

Watanabe fails to teach the claimed elements missing from *Walker*. That is, *Watanabe* is also silent as to automatic debiting of a customer account after said merchandise has been delivered. And the Examiner does not even allege otherwise. Accordingly, neither reference teaches or suggests "automatically debiting of a customer account . . . after said merchandise has been delivered," as claims 1, 2, 3, 5, and 7-9 recite.

5. The Rejection of Claims 1, 2, 3, 5, and 7-9 Must Be Reversed Because No Motivation Has Been Shown to Combine the Teachings of *Walker* and *Watanabe*

Even if the references were to have collectively taught each and every element of the claims (which they do not), the Examiner has not shown any suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the applied references or to combine their teachings.

Walker teaches a system for selling subscriptions to periodicals in a retail environment, whereas *Watanabe* teaches a self check-out system capable of reading commercial product codes. Thus, the applied references are directed to different systems. The Examiner has merely alleged that *Watanabe* "shows a similar customer computer." (July 28, 2005 Final Office Action, p. 4.) Appellants respectfully submit that even if the Examiner's allegation of similarity is correct, such similarity, as the only basis for motivation, is still insufficient to provide a "suggestion or motivation . . . to combine the references in a manner resulting in the claimed invention," as the M.P.E.P. requires.

Therefore, *Walker* and *Watanabe*, taken alone or in combination, do not suggest the desirability of any modification to result in Appellants' claimed invention.

**6. The Rejection of Claims 1, 2, 3, 5, and 7-9 Must Be Reversed Because
Walker and *Watanabe* Are Not Combinable with a Reasonable
Expectation of Success**

The Examiner alleges that combining *Walker* and *Watanabe* would be desirable to “achieve higher efficiency for the retailer.” (July 28, 2005 Final Office Action, p. 4.) However, the Examiner did not provide any reason why one of ordinary skill in the art would have a reasonable expectation of success from combining a self check-out system of *Watanabe* designed to register difficult-to-read codes of commercial products (*Watanabe*, col. 3, ll. 42-49) with the *Walker* system, where a store clerk performs functions of collecting payment for magazine subscription from the retail customers.

In summary, (1) the cited references, taken either alone or collectively, fail to teach each and every element required by the claims; (2) there is no motivation to combine or modify the teachings of the cited references to arrive at the present claimed invention; and (3) the references do not establish a reasonable expectation of success expected by one of ordinary skill in the art, even if *Walker* and *Watanabe* were to be combined.

VIII. Conclusion

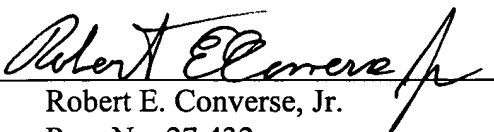
The Examiner, relying on U.S. Patent No. 5,926,796 to *Walker et al.* and U.S. Patent No. 5,543,607 to *Watanabe et al.*, has failed to establish a *prima facie* case of obviousness with regard to claims 1, 2, 4, 5, and 7-9. Accordingly, the rejections of claims 1, 2, 4, 5, and 7-9 under 35 U.S.C. § 103(a) should be reversed.

The attached Appendix contains a clean copy of claims 1, 2, 4, 5, and 7-9 involved in this Appeal. To the extent any further extension of time under 37 C.F.R. § 1.136 is required to obtain entry of this Appeal Brief, such extension is hereby respectfully requested. If there are any fees due under 37 C.F.R. §§ 1.16 or 1.17 that are not enclosed herewith, including any fees required for an extension of time under 37 C.F.R. § 1.136, please charge such fees to our Deposit Account No. 06-0916.

Respectfully submitted,

FINNEGAN, HENDERSON, FARABOW,
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Dated: April 18, 2005

By: 
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Appendix to Appeal Brief of March 18, 2005

Claims 1, 2, 4, 5, and 7-9, the subject of this appeal, read:

1. A method of completing a plurality of transactions on a computer network involving at least one customer computer directly operated by a customer and a plurality of merchant computers, said method comprising the following steps:
 - transmitting an offer from a first merchant computer to a customer computer;
 - transmitting information inputted by the customer from the customer computer to the first merchant computer in response to the offer;
 - utilizing the information inputted by the customer to process the offer, wherein said information inputted by the customer contains a payment method and customer identification data required by said first merchant computer to process said offer;
 - transmitting a second offer from a second merchant computer to said customer computer;
 - transmitting said information inputted by the customer from said first merchant computer to said second merchant computer, provided said customer computer accepts said second offer[;]
 - processing said information inputted by the customer by said second merchant computer;
 - causing a merchandise to be delivered to the customer associated with said information inputted by the customer; and